

NINETY-SIXTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 455

Introduced by Dierks, 40

PURPOSE: The use of a "ledger" contract and its variations in long-term hog procurement contracts has been increasingly criticized. Under this type of contract, producers incur a deficit on their accounts when prices fall below a certain price and receive a credit when prices rise above that price. The intent is to provide a stable price mechanism with the anticipation that the "ledger" account will, due to price fluctuations, more or less balance over a period of time. However, persistent low prices for swine have placed many producers in an impossibly negative position, potentially creating both financial and legal hardships for producers. The purpose of this study is to examine the prevalence of "ledger" contracts in livestock procurement and to examine the economic, legal, and social issues associated with the "ledger" contract.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NINETY-SIXTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Agriculture Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its

LR 455

LR 455

recommendations, to the Legislative Council or Legislature.

.....

PRESIDENT OF THE LEGISLATURE

I, Patrick J. O'Donnell, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 455, which was passed by the Legislature of Nebraska in the Ninety-sixth Legislature, Second Session, on the XXXX(words)XXXX day of March 2000.

.....

CLERK OF THE LEGISLATURE